DELANO – EARLIMART IRRIGATION DISTRICT

02-REN-1038
DOCKET
11-RPS-01
DATE Nov. 01 2011
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November 1, 2011

California Energy Commission
Dockets Office, MS-4
RPS Proceeding
1516 Ninth Street
Sacramento, CA 95814-5512

SENT VIA EMAIL AND U.S. MAIL

Re: Docket No. 11-RPS-01; Docket No. 02-REN-1038

The Delano-Earlimart Irrigation District (DEID) is aware of a staff workshop that was held on October 21, 2011 to solicit public comments on the proposed changes to the *Renewables Portfolio Standard Eligibility Guidebook (RPS Guidebook)* and the *Overall Program Guidebook for the Renewable Energy Program (Overall Guidebook)*. The workshop was part of the implementation process of Senate Bill No. X1-2. DEID would offer the following comments as part of the above referenced workshop and implementation process.

Background

Under present standards, hydroelectric projects are limited to a nameplate capacity of 30 MW or less, and two or more sets of generating equipment that share common control or maintenance and located within a one-mile radius of each other have been defined by the Commission as a single project.

Senate Bill X1-2 amended Section 399.12 of the Public Utilities Code to refine the definition of an "eligible renewable energy resource" in several ways, among them increasing the allowable nameplate capacity to 40 MW for a small hydroelectric generating unit operated as part of a water supply or conveyance system if the retail seller or local publicly owned electric utility procured the electricity from the facility as of December 31, 2005. The legislation further states that a new hydroelectric facility that commences generation after December 31, 2005 is not eligible if it causes an adverse impact on instream beneficial uses or cause a change in volume or timing of streamflow.

The revised guidebooks at present do not address all types of cases that will need to be considered. One such situation consists of an addition to an existing facility. Consider the following:

- An existing eligible renewable energy facility, with capacity less than 30 MW where energy was sold to a retail seller prior to December 31, 2005.
- Water delivered is part of a water supply or conveyance system.

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- Changes in water delivery requirements controlled by others have resulted in a need to increase the capacity of the facility above 30 MW, but less than 40 MW.

Comment #1-proposed addition to the RPS Guidebook

Based on the above, DEID requests addition of the following to the RPS Guidebook, page 29, item a, Small Hydroelectric, first bullet, to follow No. 3:

> *4. Additions to existing facilities are RPS eligible provided the facility in total has a nameplate of 40 MW or less, the water delivered is part of a water supply or conveyance system, and the facility does not cause an adverse impact on instream beneficial uses or cause a change in the volume or timing of streamflow.*

Comment #2-pre certification

There was also an indication that the Energy Commission was considering eliminating the option of pre-certifying a facility that is in development and not yet online. Because of the potential differences in interpretation of legislation and guidelines established by the Commission to implement such legislation, and the difference in the value of the energy produced based on RPS eligibility, DEID considers it essential to obtain an option regarding such eligibility prior to starting construction.

Thank you for your consideration of our comments.

Very Truly Yours,

Dale R. Brogan, General Manager
Delano-Earlimart Irrigation District

cc: Bill Carlisle, Manager
Friant Power Authority

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Re: Docket No. 11-RPS-01; Docket No. 02-REN-1038

The Delano-Earlimart Irrigation District (DEID) appreciates the opportunity to comment on the above referenced dockets currently pending before the California Energy Commission (CEC). Our comments are offered as part of the CEC workshop that was held on October 21, 2011 to solicit public comments on the proposed changes to the *Renewables Portfolio Standard Eligibility Guidebook (RPS Guidebook)* and the *Overall Program Guidebook for the Renewable Energy Program (Overall Guidebook)* which we understand to be necessary to implement Senate Bill No. X1-2.

The development of rules and regulations governing renewable energy in California is of critical importance. DEID is keenly interested in this issue as a member of the Friant Power Authority (FPA) which consists of seven irrigation districts and one municipal utility district. Formed in October 1979, members of FPA developed three small hydroelectric power plants that produce power from water released from the Central Valley Project's Friant Dam. Production of clean, renewable energy began in 1986.

At the time of construction, the powerhouses were sized based on releases associated with dam operations which included an 8 MW powerhouse sized for releases made to the Madera Canal, a 15 MW powerhouse sized for releases made to the Friant-Kern Canal, and a 2 MW powerhouse sized for releases made to the San Joaquin River. While separated by some distance, the three powerhouses are normally controlled from a common control room at the Friant-Kern powerhouse.

Circumstances have recently changed that effect the amount of power that can be generated from the FPA Friant Dam project. In October 2006, the San Joaquin River Settlement Agreement took effect which requires a series of measures to be implemented that result in significantly increased San Joaquin River releases to restore a self-sustaining salmon population. Those actions will result in a reduction of discharges through the powerhouses on the Madera and Friant-Kern Canals, with the increased releases to the San Joaquin River that are more than the existing 2 MW

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powerhouse can effectively use to produce power. This results in significantly less energy being produced by the FPA Friant Dam project than it currently produces under its current configuration.

FPA has proposed the construction of a new 7MW facility adjacent to the existing 2 MW River Outlet Powerhouse to address this new paradigm. FPA has completed CEQA requirements, obtained 401 certification, had PG&E complete a System Impact Study to determine upgrades necessary for connection to its distribution line, reached general agreement with Reclamation on how to proceed with design as it may impact its facilities and applied for a FERC license amendment. FPA is presently negotiating with a power purchaser with an expectation of issuing contracts for construction in the near term such that power can be on line in early 2014.

DEID is very concerned whether the new 7 MW facility would qualify under the renewables portfolio standards, a critical requirement to FPA and our potential power purchaser. We understand that under present standards, hydroelectric projects are limited to a nameplate capacity of 30 MW or less, and that the Commission has interpreted this to mean that two or more sets of generating equipment that share common control or maintenance and are located within a one-mile radius of each other are defined as a single project. The existing Friant project has RPS certification as a single 25 MW project.

Senate Bill X1-2 amended Section 399.12 of the Public Utilities Code to refine the definition of an "eligible renewable energy resource," increasing the allowable nameplate capacity to 40 MW for a small hydroelectric generating unit operated as part of a water supply or conveyance system if the retail seller or local publicly owned electric utility procured the electricity from the facility as of December 31, 2005. The legislation further states that a new hydroelectric facility that commences generation after December 31, 2005 is not eligible if it causes an adverse impact on instream beneficial uses or causes a change in volume or timing of streamflow.

It is clear that if the FPA facilities had always been 32 MW, the Commission would have previously considered the project ineligible, but eligible upon implementation of SB X1-2. However, the revised guidebook is unclear how addition of 7 MW to an existing 25 MW facility would be considered. <u>We request that language be added to the guidebook to ensure proposed additions such as that at Friant would be eligible for RPS certification</u>.

Given the economics of the project, if such language cannot be included, a new 7MW facility would likely be rendered infeasible. Rather, FPA would propose installation of a 5 MW powerhouse in order to stay within the 30 MW limitation. This would further result in FPA having to go back to FERC with a new license amendment, triggering new consideration by FERC whether the 5 MW project would make the best use of the resource as opposed to be current proposed 7 MW project. Obviously, the smaller project would experience a delay in commissioning and the State of California would be left with 2 MW less of clean renewable power in its portfolio.

Thank you for your consideration of our comments.

Very Truly Yours,

Dale R. Brogan, General Manager
Delano-Earlimart Irrigation District

cc: Mr. William Carlisle, Manager
Friant Power Authority